same area. Inflation is not caused by Davis-Bacon workers.

Jacksonville, FL: Average pay for all workers, $24,000 dollars; average pay for working people, wage earners, $24,000. The closest you get to that in Davis-Bacon is the iron workers in Jacksonville, FL. They make $15,000 average, $15,200. And the backhoe operators, way down to $10,000, carpenter, $9,951, and the laborer down to $7,000.

I can find it for any Member who would like to know the facts. As I said before, the Senate has spoken. The other body has made it clear that they do not feel that Davis-Bacon should be repealed. The wisdom of 1931 of Davis and Bacon still prevails. It makes sense to use Federal money for construction projects. Whether you are constructing highways or bridges or building Federal buildings, it makes sense to go into a community and try to maintain the stability of that community by paying the workers at the same level that other workers are paid.

Unfortunately, Davis-Bacon is certainly not close to, in most cases, what really is the prevailing wage. For some reason it always comes under. Not always, there are a few exceptions, but it comes way under in most cases what is really the prevailing wage.

Davis-Bacon is not driving up the cost of building, I assure you. In Macon, GA, we have the same pattern. We are talking about the average pay for all workers in Macon, GA, $23,000, workers who are hourly workers.

□ 1900

The closest you get to that with Davis-Bacon workers are electricians who make $12,476; ironworkers $12,391; the bricklayers all the way down to $11,363; a carpenter, 9,000; backhoe operator, 7,546.

On and on it goes. Oklahoma City, a lot of furor around Oklahoma City, and there are people who are saying you cannot rebuild the Federal facility in Oklahoma City until you get rid of Davis-Bacon. I have heard that said several times.

Davis-Bacon is not a problem in Oklahoma City, I assure you. The wages are higher than they are in Macon, GA, thank God, and they are higher than they are in Gainesville, FL. They are higher than they are in North Carolina. Thank God for that. But they are not above the average worker's income. The average workers are being paid some $24,370. Asbestos workers in Oklahoma City are paid $23,200. You are getting close. The average pay—I am sorry, the average pay of all workers is $23,000. Asbestos workers on Davis-Bacon projects actually come in above the average workers. For the first time you have an example of they come in above. Everybody else comes in below. Backhoe operator, $19,800; electrician, $18,871; carpenter $15,631; labor, $10,672.

You can see from all of these salaries that these are members of the middle class who will have to be put at the lower end of the middle-class scale. The middle class—it may be you have a steady job, but if these are members of the middle class, as they were when Davis and Bacon first made the law, the wages of construction workers were kept at a level where they were far higher in comparison to other workers and they worked in the middle class.

We have destroyed the middle class, even under Davis-Bacon. The salaries have gone down. What the people are trying to do who want to repeal Davis-Bacon is wipe out the middle class that is generated through the construction industry, working people who work very hard, I assure you. Construction work is some of the dirtiest, hardest, most dangerous work in America. They deserve to be paid far better than any of the wages that you see here. Raleigh-Durham, Chapel Hill, NC, the average pay for all workers is $23,000. North Carolina. They are paying other workers far higher than they are paying Davis-Bacon workers.

Average pay for all workers in the Raleigh-Durham, Chapel Hill area is $23,000. Boilermakers are the highest under that, and they are almost—they are a little more than half, $12,000; electricians, $11,000; ironworkers, $10,000; bricklayers $10,000. So in the Raleigh-Durham area, to work under a Davis-Bacon contract and to be paid the very best, the boilermakers, means that you make half as much as the average worker makes. When I say half, I am talking about $12,164.

The myth is a big lie. It is not really a myth. Myths have some basis. To have such a discrepancy between the facts and the reality means that somebody is perpetrating a big lie. Somebody is. There is some collusion here, a conspiracy here. The conspiracy is not in the Department of Labor. The conspiracy is not here on Capitol Hill.

The conspiracy is out there with all those people who are generating these lies, the people who can go to ABC news, I guess producers of 20/20, and have 20/20 produce such a lopsided, distorted picture of Davis-Bacon. That did not happen by accident. That has to be a conspiracy to make that kind of lopsided journalism, to put it on the air on a major network. I suppose we will hear more of that, but I invite all of the journalists, especially those at the ABC network, those who put together the 20/20 piece, to come and take a look at the picture across the country. Tulsa, Oklahoma, average household—I mean the average pay for all workers is $21,599.

There is one category that gets above that, boilermakers, but the ironworkers, $19,000; electricians, $15,000, and it goes down. Tulsa, OK, Oklahoma City, they seem to be far better than North Carolina. But no matter where you go, you will find the same pattern. That is, that Davis-Bacon workers are making less, in some cases criminally less than the average working person who is working on an hourly wage job.

The facts speak for themselves. As I said before, the Senate has voted 99 to 0, the other body has voted 99 to 0 not to repeal the Davis-Bacon Act. They are willing to discuss a reform of the Davis-Bacon Act. Anything that has existed for as long as Davis-Bacon can afford to be reformed. There are changes that could be made which would benefit the people who the act was designed to help.

Let us reform, let us join the Senate, let the House join the Senate in indicating that the business of reform is an appropriate business. It is an honorable business. That is all we are going to engage in.

To wage war against Davis-Bacon, to try to carry out a contract to destroy it is to try to destroy families and communities. The myths that keep—that are continually perpetrated, I will run through a few of them:

The Davis-Bacon Act requires all contractors to pay union wages, even when the average wage in an area is well below the union rate. That is a myth, a big lie. Of the 12,500 prevailing wage schedules issued by the Department of Labor during fiscal year 1994, roughly 29 percent reflect all union wage rates, while 48 percent of the wage schedules are nonunion. Mixed schedules, those that contain both union and nonunion wage rates, make up the remaining 23 percent of the universe of wage rates out there.

The perception that the Davis-Bacon Act rate is synonymous with the union rate is a holdover from the days when the rate paid to 30 percent of the workers in a classification could be considered the prevailing rate. For more than a decade, union wages are the locally prevailing rate only when the union rate is paid to at least 50 percent of the workers in a particular classification, which is very rare that union workers, the union rate is being paid to 50 percent of the workers in a particular classification.

The Davis-Bacon Act is inflationary and adds billions of dollars to the Federal budget. That is the other myth. The payment of prevailing wages does not necessarily inflate costs, but does prevent costs from being cut at the expense of employees' wages.

The director of the Congressional Budget Office, Robert D. Reischauer, testified before Congress on May 4, 1993, that the higher wage rates do not necessarily increase costs. If these differences in wages were offset by hiring more skilled and productive workers, no additional construction costs would result.

A 1992 study commissioned by the International Union of Operating Engineers compared the average cost per mile for highway and bridge construction in five high-wage States to five low-wage States and found that the construction costs per mile were actually lower in the high-wage States. In the States where the Davis-Bacon was,

the prevailing wage was higher, the actual construction cost was lower because the workers were more productive, more skilled, and more highly motivated.

The Davis-Bacon Act is discriminatory in origin and blocks affirmative employment of women and minorities in the construction industry. I have dealt with that already. That is a myth. That certainly does not stand when you examine it closely.

Davis-Bacon was not designed to be a civil rights act. Davis-Bacon, however, has accrued to the advantage of workers who were locked out by providing training programs of combined efforts of management and labor which have benefited minority workers a great deal.

The other myth, the Davis-Bacon Act is poorly administered and wage determinations are woefully out of date.

Wage and Hour has made a number of improvements in the administration of the Davis-Bacon Act over the last few years, including making wage determinations available on line through Fed-World, computerization of the wage determination updating system, and improved training and outreach efforts.

Wage and Hour would like to be able to conduct more surveys; however, resources are limited.

This is how the Davis-Bacon prevailing wages are determined, by the Wage and Hour section. They are limited resources. The budget has been cut by the Republican majority, and they are under great strain to try to enforce the act properly.

What happens is that the workers are put at a disadvantage. If these Davis-Bacon surveys of the prevailing wages were updated and kept up to date, wages would go up, not down. We would have a situation where Davis-Bacon workers would be making more, if we had the personnel and the resources that have been denied by the Republican majority out there to administer the law properly.

Another myth is that Davis-Bacon Act is no longer necessary in today's market economy. The purpose and need for the Davis-Bacon Act is as great today as when the act was first passed. Competition for work in the construction industry remains intense. In the aftermath of the Los Angeles earthquake, construction workers and contractors from outside areas sought to bid for the extensive work by offering lower rates.

Unlike private industry, the Federal Government and most federally assisted entities must put primary emphasis in awarding construction contracts to the lowest bidder, and it is difficult, if not impossible, for agencies to award to the contractor with a slightly higher bid because that contractor does better work.

The Davis-Bacon Act encourages contractors who compete based on efficiency and quality rather than who pays the lowest wages.

As you know, the Los Angeles earthquake meant that large amounts of Federal money, billions of dollars went into Los Angeles and to the California economy. In fact, the California economy rebounded greatly as a result of the between $6- and $8-billion of Federal money that went into California. Most of that was for construction, rebuilding. The fact that Davis-Bacon was in force meant that the community benefited more, not less.

I submit in its entirety an item labeled ''Davis-Bacon Act, Myth and Reality,'' along with other items I submitted for the RECORD:

DAVIS-BACON ACT, MYTH AND REALITY

Myth: The Davis-Bacon Act requires all contractors to pay union wages, even when the average wage in an area is well below the union rate.

Reality: Of the 12,500 prevailing wage schedules issued by DOL during FY 1994, roughly 29% reflect all union wage rates while 48% of the wage schedules are non-union. Mixed schedules, those that contain both union and non-union wage rates, make up the remaining 23% of the universe.

The perception that the DBA rate is synonymous with the union rate is a hold over from the days when the rate paid to 30% of the workers in a classification could be considered the prevailing rate. For more than a decade, union wages are the locally prevailing rate only when the union rate is paid to at least 50% of the workers in a particular classification.

Myth: The Davis-Bacon Act is inflationary and adds billions of dollars to the Federal budget

Reality: The payment of prevailing wages does not necessarily inflate costs, but does prevent costs from being cut at the expense of employees' wages.

The Director of the Congressional Budget Office, Robert D. Reischauer, testified before Congress on May 4, 1993, that ''higher wage rates do not necessarily increase costs * * * if these differences in wages were offset by hiring more skilled and productive workers no additional construction costs would result.''

A 1992 study commissioned by the International Union of Operating Engineers (IUOE) compared the average cost per mile for highway and bridge construction in five high-wage states to five low-wage states and found that the construction costs per mile were actually lower in the high-wage states.

Myth: The Davis-Bacon Act is discriminatory in origin and blocks affirmative employment of women and minorities in the construction industry.

Reality: In 1993, the NAACP passed a resolution supporting the Davis-Bacon Act. The DBA protects all construction workers from exploitation and wage cutting. Former Secretary of Labor Ray Marshall has written that the ''workers most often victimized by unscrupulous contractors are the minority workers.''

Available data refute the argument that Davis-Bacon operates in a manner that discriminates against minorities and women. In fact, there is no difference in the employment of minorities and women by Federal construction contractors and contractors who do not do Federal construction work.

Disadvantaged workers can be employed on DBA contracts under approved training programs that offer opportunities for real careers rather than the dead-end jobs that could result without the Davis-Bacon framework. The Department of Housing and Urban Development's STEP-UP apprenticeship program is an example of how DBA can work in harmony with structured training programs that provide meaningful employment opportunities for unemployed public housing tenants.

Myth: The Davis-Bacon Act is poorly administered and wage determinations are woefully out-of-date.

Reality: Wage and Hour has made a number of improvements in the administration of the DBA over the last few years including making wage determinations available online through Fed-World, computerization of the wage determination updating system, and improved training and outreach efforts.

Wage and Hour would like to be able to conduct more surveys; however, resources are limited. Thus the survey program is carefully planned to target those areas where the the most Federal construction is planned and where there is evidence that wage patterns have changed. To the extent that wage rates are out-of-date, that usually results in wage rates that are too low rather than too high.

Wage and Hour is exploring new ways to reinvent the process to make it work even better.

Myth: The Davis-Bacon Act is no longer necessary in today's market economy.

Reality: The purpose and need for the Davis-Bacon Act is as great today as when the Act was first passed. Competition for work in the construction industry remains intense. In the aftermath of the LA earthquake, construction workers and contractors from outside areas sought to bid for the extensive work by offering lower rates.

Unlike private industry, the Federal government and most federally-assisted entities must put primary emphasis in awarding construction contracts to the lowest bidder, and it is difficult if not impossible for agencies to award to the contractor with a slightly higher bid because that contractor does better work.

The Davis-Bacon Act encourages contractors to compete based on efficiency and quality rather than on who pays the lowest wages.

ERNEST D. MENOLD, INC.
Lester, PA, May 28, 1996

Re Davis-Bacon reform, S. 1183.
Senator RICK SANTORUM,
U.S. Senate, Washington, DC.

DEAR SENATOR SANTORUM: I am writing to thank you for the key role you played in defeating the attempt in the Senate to repeal Davis-Bacon and to offer instead Davis-Bacon Reform legislation in the form of S. 1183.

Next year Ernest D. Menold, Inc. will celebrate its 50th year in business. Over the course of those many years I, and my father before me, have taken great pride in watching young apprentices enter our industry, develop into skilled mechanics, raise families, send their children to college, have their medical needs taken care of, and for many, retire with dignity to enjoy the fruits of their years of hard labor. We take as much pride in those accomplishments as we do in the jobs we have done and the reputation we have built.

We are proud to be one of the more than 22,000 socially responsible contractors in this country who share in these same accomplishments. We hope that our federal government will always see fit to play a leading role in setting the standards that will allow the American construction worker to look forward to a stable, productive and rewarding career in our industry.

Again, thank you for your support on this issue.

Very truly yours,
ERNEST R. MENOLD, P.E.,
President.

THE GENERAL CONTRACTORS
ASSOCIATION OF NEW YORK, INC.
NEW YORK, NY, NOVEMBER 7, 1995.

TERRY G. BUMPERS,
Director, National Alliance for Fair Contracting, Washington, DC.

DEAR MR. BUMPERS: I enjoyed your letter to Brian Lockett. If the occasion arises, you can distribute this letter to anyone who questions the commitment of heavy construction contractors to union contracting. The General Contractors Association of New York, Inc. represents the heavy construction industry active New York City. We have over 700 contractors using the collective bargaining agreements, that have negotiated with fourteen different locals of the building and construction trades. Our members are firmly committed to union contracting because it is the only sure way to obtain a steady supply of trained and capable workers in New York City over the long term. The support of prevailing wage legislation and union contracting is our protection for the future for all of our members.

The prevailing wages in the heavy construction industry of New York City, at over $35.00 an hour in wages and fringe benefits, would seem high to many. But the annual take home pay of most of our workforce still leave them eligible for most subsidized housing programs in New York City. We know that we pay a fair wage that allows our workers to support their families and to contribute to their communities in their nonworking hours. But we're not paying them enough to live on Park Avenue.

We also know what happens in New York City when there is no prevailing wage legislation like Davis-Bacon protecting the wage levels of construction workers. We have seen in the unregulated building sector in New York City that wages can be driven down to under $10.00 an hour by preying on the desperation or illegal status of workers. At that level workers earn barely enough to survive. We know that the unregulated industry has no steady workforce, appalling safety records, and little stake in the continuing health of the communities in which its workforce must reside.

Our heavy construction contractors survive and thrive on the effectiveness of their workforce, not on the shine on the equipment. The best assets leave each day at the end of the shift. Those assets are most productive when they are paid enough to work without family worries and to contribute to their communities. We know that decent wages are the key to attracting competent people to enter and stay in the heavy construction workforce.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Ms. JACKSON-LEE of Texas (at the request of Mr. GEPHARDT), for today, on account of a death in the family.

Mrs. LINCOLN (at the request of Mr. GEPHARDT), for today, on account of medical reasons.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Member (at the request of Mr. PALLONE) to revise and extend his remarks and include extraneous material:)

Mr. CLEMENT, for 5 minutes, today.

(The following Members (at the request of Mr. KOLBE) to revise and extend his remarks and include extraneous material:)

Mr. LUCAS of Oklahoma, for 5 minutes, today.

Mr. RIGGS, for 5 minutes, today.

Mr. MICA, for 5 minutes, today.

Mr. ROHRABACHER, for 5 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

(The following Members (at the request of Mr. PALLONE) and to include extraneous matter:)

Ms. JACKSON-LEE of Texas.
Mr. RICHARDSON.
Mr. STARK.
Mr. PALLONE.
Mr. SISISKY.
Mr. EDWARDS.
Mr. COYNE.
Mr. NADLER.
Ms. RIVERS.
Mrs. MALONEY.
Mr. FILNER.
Mr. CLEMENT.
Mr. HINCHEY.
Mr. BONIOR.
Mr. PAYNE of New Jersey.
Mr. WARD.
Mr. BARCIA.
Ms. SLAUGHTER.

(The following Members (at the request of Mr. KOLBE) and to include extraneous matter:)

Mr. CAMP in three instances.
Mr. WALKER.
Mr. MARTINI in two instances.
Mr. DAVIS in two instances.
Mr. CHRYSLER.
Mrs. ROUKEMA in two instances.
Mr. LAZIO of New York.
Mrs. VUCANOVICH.
Mr. TORKILDSEN.

(The following Members (at the request of Mr. OWENS) and to include extraneous matter:)

Ms. HARMAN.
Mr. FORBES.
Mr. DOOLEY of California.
Mr. HEINEMAN.
Mr. MEEHAN.
Ms. WOOLSEY.
Mr. MENENDEZ in two instances.
Mr. GORDON.
Mr. KLECZKA in two instances.
Mr. MCHUGH.
Mr. COLLINS of Georgia.
Mr. SHAW.
Mr. DOYLE.
Mr. ABERCROMBIE.
Mr. EMERSON.
Mr. SOLOMON in two instances.
Mr. LANTOS.
Mr. POMEROY.
Mr. GOODLING in three instances.
Mr. GILMAN.
Mr. WELDON of Florida.
Ms. LOFGREN.
Mr. BENTSEN.
Mr. FAZIO of California.
Mr. COBLE.

SENATE BILLS REFERRED

A bill and concurrent resolution of the Senate of the following titles were taken from the Speaker's table and, under the rule, referred as follows:

S. 1406. An act to authorize the Secretary of the Army to convey to the city of Eufaula, Oklahoma, a parcel of land located at the Eufaula Lake project, and for other purposes; to the Committee on Transportation and Infrastructure; and

S. Con. Res. 63. Concurrent resolution to express the sense of Congress that the Secretary of Agriculture should dispose of all remaining commodities in a disaster reserve maintained under the Agricultural Act of 1970 to relieve the distress of livestock producers whose ability to maintain livestock is adversely affected by disaster conditions existing in certain areas of the United States, such as prolonged drought or flooding, and for other purposes; to the Committee on Agriculture.

ADJOURNMENT

Mr. OWENS. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 7 o'clock and 12 minutes p.m.), under its previous order, the House adjourned until tomorrow, Friday, June 7, 1996, at 10 a.m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

[Omitted from the Record of June 5, 1996]

3430. A letter from the Board of Trustees of the Federal Hospital Insurance Trust Fund, transmitting notification that on April 6, 1993, the Board notified each House of Congress that the reserves of the hospital insurance [HI] trust fund were expected to be exhausted in 1999, on April 11, 1994, the Board affirmed the 1993 notification with a change in the expected date of exhaustion to 2001, and on April 3, 1995, the Board reported that the expected exhaustion date was 2002; as shown in the 1996 trustees report, the HI trust fund is estimated to be exhausted in 2001, the status of the HI trust fund still does not meet the Board's test of short-range financial adequacy, pursuant to section 709 of the Social Security Act; to the Committee on Ways and Means.

[Submitted June 6, 1996]

3431. A letter from the Administrator, Agricultural Marketing Service, transmitting the Service's final rule—Pork Promotion, Research, and Consumer Information Order—Increase in Importer Assessments (Docket No. LS–96–001 FR) received May 30, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Agriculture.

3432. A letter from the Director, Office of Regulations Management, Department of Veterans Affairs, transmitting the Department's final rule—Montgomery GI Bill—Selected Reserve: Miscellaneous (RIN: 2900–AI04) received June 5, 1996, pursuant to U.S.C. 801(a)(1)(A); to the Committee on National Security.

3433. A letter from the Director, Office of Regulations Management, Department of Veterans Affairs, transmitting the Department's final rule—Educational Assistance for Members of the Selected Reserve (RIN: